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ADMINISTRATIVE REPORT

Report Date: July 7, 2009
Contact: Brian Crowe
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VanRIMS No.: 08-2000-20
Meeting Date: July 21, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Manager of Supply Management

SUBJECT: Award of Tender PS09068 - Supply and Delivery of Concrete Pipe, Manhole Sections, and Tops

RECOMMENDATION

- A. THAT subject to the conditions set out in Recommendations B and C, Council authorize the General Manager of Engineering Services and the Manager of Supply Management to accept the tender of Lehigh Hanson Materials Limited, doing business as Ocean Pipe, for the supply and delivery of reinforced concrete pipe, manhole sections, and tops for a term of three years, at an estimated annual cost of \$1,138,774 plus the 5% Goods and Services tax (less any municipal rebate received) and the Provincial Services Tax (where applicable), and, in their discretion, to renew the contract for one of two additional twelve month terms. Source of funds to be the 2009-2011 Sewer System Replacement Basic Capital Budgets.
- B. THAT the Manager of Supply Management and the General Manager of Engineering Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.
- C. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, the Manager of Supply Management, and the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager RECOMMENDS approval of A, B and C.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of A, B and C.

COUNCIL POLICY

The policy of Council is to award contracts for the purchase of equipment, supplies, and services that will give the highest value based on quality, service, and price.

Contracts with a value over \$300,000 are referred to Council.

PURPOSE

To seek approval to enter into a three year contract for the supply and delivery of reinforced concrete pipe, manhole sections, and tops for the City's main sewer construction programs with the possibility of two (2) twelve (12) month extensions.

BACKGROUND

As part of its scheduled programs for replacement or installation of new sewer mains and for emergency repairs, the City requires pipe and manholes of various sizes. For larger pipe sizes (generally 375mm or more), reinforced concrete sewer pipe is a commonly used product that has been installed by the City for over 80 years. The use of concrete manholes has also been standard industry practice for over 100 years.

DISCUSSION

On May 29, 2009, the City issued an Invitation to Tender for the supply and delivery of reinforced concrete pipe, manhole sections, and tops. In addition to notifying both the incumbent supplier to the City and the other local well known vendor, the ITT was placed on the City's and the BC Purchasing Commission's BC Bid website.

Two (2) bids were received and opened on June 17, 2009 and referred to the General Manager of Engineering Services and the Manager of Supply Management for evaluation and report.

The tender called for the supply and delivery of reinforced concrete pipe, manhole sections, and tops offering best value to the City on an as required basis over a three (3) year period with an option to renew for two (2) additional twelve (12) month periods and includes a review of pricing at the end of every year.

Pricing received was based on one year estimated quantities and is presented in Table 1.

	Bid 1	Bid 2
Product	\$1,128,400	\$1,123,282
Cartage	\$89,255	\$62,941
Total	\$1,217,655	\$1,186,223

Note: For awarding the contract in its entirety, Bid #2 has offered an additional 4% special discount, allowing the City to take advantage of an additional savings of \$47,449 on a per annum basis, for an estimated annual contract value of \$1,138,774

Bid #2 (Ocean Pipe) is the lowest bid meeting specifications and provides the best value to the City for this tender call. In addition, as the location of the stock facility for Bid #2 is within the City of Vancouver, City trucks can pick up pipe and manhole sections in conjunction with their daily operations thereby avoiding the cost of cartage.

FINANCIAL IMPLICATIONS

The purpose of this contract is to supply Sewers Operation's concrete sewer pipe and manhole needs on an annual basis. Funds are available from the 2009-2011 Sewer System Replacement Basic Capital Budgets. The products will be purchased through Central Stores Operating Funds and then charged to the various Engineering Services' project accounts on an as required basis.

CONCLUSION

We recommend that the City enter into an agreement with Ocean Pipe for the supply and delivery of reinforced concrete pipe, manhole sections, and tops for a term of three (3) years with the option for two (2) subsequent twelve (12) month extensions.

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